

***ETHAN SCHOOL DISTRICT NO. 17-1***  
***AUDITOR'S REPORT***  
***AND***  
***FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED***  
***JUNE 30, 2003***

## TABLE OF CONTENTS

	PAGE
<i><b>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....</b></i>	1-2
<i><b>INDEPENDENT AUDITOR'S REPORT.....</b></i>	3
<i><b>GENERAL PURPOSE FINANCIAL STATEMENTS:</b></i>	
Combined Balance Sheet - All Fund Types and Account Groups .....	4-5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types .....	6-7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and Special Revenue Fund Types.....	8-10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types.....	11
Combined Statement of Cash Flows - All Proprietary Fund Types .....	12
<i><b>NOTES TO FINANCIAL STATEMENTS.....</b></i>	13-21
<i><b>SUPPLEMENTAL DATA:</b></i>	
School District Officials.....	22
Combining Financial Statements:	
Combining Balance Sheet - Special Revenue Funds.....	23
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds .....	24



ENDORF LURKEN OLSON & CO. Prof LLC

Certified Public Accountants

*Your success is our business*

Gary L. Endorf, CPA  
William R. Lurken, CPA  
David G. Olson, CPA  
Jay Tolma, CPA

***REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS***

School Board  
Ethan School District No. 17-1  
Davison County, South Dakota

We have audited the financial statements of Ethan School District No. 17-1, Davison County, South Dakota, as of June 30, 2003 and for the year then ended and have issued our report thereon dated January 4, 2006. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Ethan School District No. 17-1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Ethan School District No. 17-1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Ethan School District No. 17-1's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions noted were as follows:

- 1) There was a lack of proper segregation of duties for the revenue function.
- 2) There was a lack of proper segregation of duties for the expenditure function.
- 3) There was a lack of proper segregation of duties for the payroll function.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the South Dakota Legislature, the governing board and management of Ethan School District No. 17-1 and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

*Endorsed by Luken Olson & Co. P.C. L.L.C.*

Mitchell, South Dakota  
January 4, 2006



ENDORF LURKEN OLSON & Co. Prof LLC

Certified Public Accountants

*Your success is our business*

Gary L. Endorf, CPA  
William R. Lurken, CPA  
David G. Olson, CPA  
Jay Tolma, CPA

### **INDEPENDENT AUDITOR'S REPORT**

School Board  
Ethan School District No. 17-1  
Davison County, South Dakota

We have audited the accompanying general-purpose financial statements of Ethan School District No. 17-1, Davison County, South Dakota, as of June 30, 2003 and for the year then ended, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of Ethan School District No. 17-1's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Ethan School District No. 17-1, as of June 30, 2003, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 4, 2006, on our consideration of Ethan School District No. 17-1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and, in considering the results of this audit, this report should be read along with the independent auditor's report on the financial statements.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Ethan School District No. 17-1 taken as a whole. The combining financial statements and schedules listed as supplemental data in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Endorf Lurken Olson & Co. Prof. L.L.C.*

Mitchell, South Dakota  
January 4, 2006

ETHAN SCHOOL DISTRICT NO 17-1  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 2003

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types	Account Group	
	General Fund	Debt Service Fund	Special Revenue Funds	Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt
<u>ASSETS</u>							
<u>Current Assets</u>							
Cash and Deposits	\$ 129,476	\$ 104,846	\$ 85,325	\$ 29	\$ 21,534	\$ -	\$ -
Petty Cash	100	-	-	-	-	-	-
Interest Bearing Accounts	259,152	-	153,215	-	2,246	-	-
Taxes Receivable - Current	182,009	94,461	79,268	-	-	-	-
Taxes Receivable - Delinquent	14,231	6,686	6,477	-	-	-	-
Accounts Receivable	28,930	-	4,005	1,063	582	-	-
Due from Federal Government	-	-	-	2,823	-	-	-
Advance to Imprest Fund	2,000	-	-	-	-	-	-
Advance to Pension Fund	6,312	-	-	-	-	-	-
Inventory of Supplies	-	-	-	146	-	-	-
Inventory of Stores Purchased for Resale	-	-	-	2,129	-	-	-
Inventory of Donated Food	-	-	-	269	-	-	-
Unamortized Discount on Bond Sold	-	25,259	-	-	-	-	-
Total Current Assets	622,210	231,252	328,290	6,459	24,362	-	-
<u>Fixed Assets</u>							
Land	-	-	-	-	-	16,600	-
Buildings	-	-	-	-	-	2,729,415	-
Improvements Other Than Buildings	-	-	-	-	-	51,549	-
Machinery and Equipment - Local Funds	-	-	-	25,821	-	498,629	-
Machinery and Equipment - Federal Assistance	-	-	-	1,010	-	18,743	-
Accumulated Depreciation - Machinery and Equipment - Local Funds	-	-	-	(17,177)	-	-	-
Accumulated Depreciation - Machinery and Equipment - Federal Assistance	-	-	-	(1,010)	-	-	-
Total Fixed Assets	-	-	-	8,644	-	3,314,936	-
<u>Other Assets</u>							
Amount Available in Debt Service Fund	-	-	-	-	-	-	106,253
<u>Other Debits</u>							
Amounts to be Provided for Payment of General Long-Term Debt	-	-	-	-	-	-	1,716,006
Total Assets	\$ 622,210	\$ 231,252	\$ 328,290	\$ 15,103	\$ 24,362	\$ 3,314,936	\$ 1,822,259

The accompanying notes are an integral part of these financial statements.

ETHAN SCHOOL DISTRICT NO 17-1  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 2003  
(CONTINUED)

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types	Account Group	
	General Fund	Debt Service Fund	Special Revenue Funds	Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt
<b><u>LIABILITIES AND FUND EQUITY</u></b>							
<b><u>Current Liabilities</u></b>							
Accounts Payable	\$ 6,231	\$ -	\$ 2,815	\$ 41	\$ 319	\$ -	\$ -
Contracts Payable	84,381	-	8,321	-	-	-	-
Amounts Held for Others	-	-	-	-	22,043	-	-
Advance from General Fund	-	-	6,312	-	2,000	-	-
Payroll Deductions and Withholdings and Employer Matching Payable	21,913	-	2,238	-	-	-	-
Accrued Interest	-	23,851	-	-	-	-	-
Deferred Revenue	196,241	101,147	85,743	-	-	-	-
<b>Total Current Liabilities</b>	<b>308,766</b>	<b>124,998</b>	<b>105,429</b>	<b>41</b>	<b>24,362</b>	<b>-</b>	<b>-</b>
<b><u>Long Term Liabilities</u></b>							
Bonds Payable	-	-	-	-	-	-	1,725,000
Other Long-Term Liabilities	-	-	-	-	-	-	97,259
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,822,259</b>
<b>Total Liabilities</b>	<b>308,766</b>	<b>124,998</b>	<b>105,429</b>	<b>41</b>	<b>24,362</b>	<b>-</b>	<b>1,822,259</b>
<b><u>Fund Equity</u></b>							
Reserved for Advances	8,312	-	-	-	-	-	-
Reserved for Debt Service	-	106,254	-	-	-	-	-
<b>Total Reserved Fund Equity</b>	<b>8,312</b>	<b>106,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Unreserved Fund Equity</u></b>							
Undesignated	303,122	-	222,861	-	-	-	-
<b>Total Unreserved Fund Equity</b>	<b>303,122</b>	<b>-</b>	<b>222,861</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Investment in General Fixed Assets</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,314,936</b>	<b>-</b>
Unreserved Retained Earnings	-	-	-	(5,348)	-	-	-
Contributed Capital	-	-	-	20,410	-	-	-
<b>Total Fund Equity</b>	<b>311,434</b>	<b>106,254</b>	<b>222,861</b>	<b>15,062</b>	<b>-</b>	<b>3,314,936</b>	<b>-</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 620,200</b>	<b>\$ 231,252</b>	<b>\$ 328,290</b>	<b>\$ 15,103</b>	<b>\$ 24,362</b>	<b>\$ 3,314,936</b>	<b>\$ 1,822,259</b>

The accompanying notes are an integral part of these financial statements.

**ETHAN SCHOOL DISTRICT NO. 17-1**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
**(Continued)**

	Governmental Fund Types		
	General Fund	Special Revenue Fund	Debt Service Fund
<b><u>REVENUE</u></b>			
<b><u>Revenue from Local Sources</u></b>			
Taxes	\$ 278,975	\$ 130,734	\$ 167,111
Tuition and fees	2,300	-	-
Earnings on Investments and Deposits	8,088	1,404	-
Cocurricular Activities	16,167	-	-
Other Revenue from Local Sources	30,783	120	-
<b><u>Revenue from Intermediate Sources</u></b>			
County Sources	18,158	-	-
Other	250		
<b><u>Revenue from State Sources</u></b>			
Grants-in-Aid	725,949	44,837	-
<b><u>Revenue from Federal Sources</u></b>			
Grants-in-Aid	96,845	34,828	-
Other Federal Revenue	12,980	-	-
<b><u>Other Sources</u></b>			
Sale of surplus property	1,750	-	-
<b>Total Revenue</b>	<b>1,192,245</b>	<b>211,923</b>	<b>167,111</b>
<b><u>EXPENDITURES</u></b>			
<b><u>Instruction</u></b>			
Regular Programs	646,212	28,614	-
Special Programs	51,484	81,380	-
<b><u>Support Services</u></b>			
Pupils	11,928	50,889	-
Instructional Staff	13,952	-	-
General Administration	73,710	-	-
School Administration	58,974	-	-
Business	160,544	9,464	-

The accompanying notes are an integral part of these financial statements.



**ETHAN SCHOOL DISTRICT NO. 17-1**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
**(Continued)**

	Governmental Fund Types		
	General Fund	Special Revenue Fund	Debt Service Fund
<b><u>Debt Services</u></b>			
Interest	\$ -	\$ 4,855	\$ 107,946
Principal	-	13,479	80,000
<b><u>Cocurricular Activities</u></b>			
Male Activities	15,395	2,024	-
Female Activities	16,288	-	-
Combined Activities	12,846	1,321	-
<b>Total Expenditures</b>	<b>1,061,333</b>	<b>192,026</b>	<b>187,946</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>130,912</b>	<b>19,897</b>	<b>(20,835)</b>
<b><u>Other Financing Sources</u></b>			
Proceeds of refunding general obligations			1,725,000
<b><u>Other Financing Uses</u></b>			
Payment to Redeem 1998 General Obligation Bonds			(1,690,000)
<b>Fund Balance (Unreserved)</b>			
July 1, 2002	182,532	202,964	-
Reserved for Debt Service	-	-	(14,165)
<b>Fund Balance (Unreserved)</b>			
June 30, 2003	<b>\$ 313,444</b>	<b>\$ 222,861</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

ETHAN SCHOOL DISTRICT NO. 17-1  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>									
<u>Revenue from Local Sources</u>									
<u>Taxes</u>									
Ad Valorem Taxes	\$ 210,000	\$ 259,958	\$ 49,958	\$ 126,000	\$ 128,561	\$ 2,561	\$ 167,000	\$ 167,111	\$ 111
Prior Years' Ad Valorem Taxes	-	3,371	3,371	-	1,547	1,547	-	-	-
Tax Deed Revenue	-	1,112	1,112	-	-	-	-	-	-
Gross Receipts Taxes	-	13,239	13,239	-	-	-	-	-	-
Penalties and Interest on Taxes	-	1,295	1,295	-	626	626	-	-	-
<u>Tuition and Fees</u>									
Tuition and Fees	-	2,300	2,300	-	-	-	-	-	-
<u>Earnings on Investments and Deposits</u>									
Interest Earned	10,000	8,088	(1,912)	-	1,404	1,404	-	-	-
<u>Cocurricular Activities</u>									
Admissions	13,000	15,523	2,523	-	-	-	-	-	-
Other Pupil Activity Income	-	644	644	-	-	-	-	-	-
<u>Other Revenue from Local Sources</u>									
Contributions and Donations	-	2,160	2,160	-	120	120	-	-	-
Other Revenue from Local Sources	30,000	28,623	(1,377)	-	-	-	-	-	-
Bus Advertising	15,000	-	(15,000)	-	-	-	-	-	-
<u>Revenue from Intermediate Sources</u>									
<u>County Sources</u>									
County Apportionment	20,000	18,408	(1,592)	-	-	-	-	-	-
<u>Revenue from State Sources</u>									
<u>Grants-in-Aid</u>									
Unrestricted Grants-in-Aid	717,000	725,949	8,949	-	-	-	-	-	-
Restricted Grants-in-Aid	-	-	-	73,000	44,837	(28,163)	-	-	-
<u>Revenue from Federal Sources</u>									
<u>Grants-in-Aid</u>									
From Federal Government Through the State	91,000	96,845	5,845	19,000	34,828	15,828	-	-	-
Other Federal Revenue	-	12,980	12,980	-	-	-	-	-	-
<u>Other Sources</u>									
Sale of Surplus Property	-	1,750	1,750	-	-	-	-	-	-
<b>Total Revenue</b>	<b>1,106,000</b>	<b>1,192,245</b>	<b>86,245</b>	<b>218,000</b>	<b>211,923</b>	<b>(6,077)</b>	<b>167,000</b>	<b>167,111</b>	<b>111</b>

The accompanying notes are an integral part of these financial statements.

ETHAN SCHOOL DISTRICT NO. 17-1  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003  
 (Continued)

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>EXPENDITURES</u>									
<u>Instruction</u>									
Regular Programs									
Elementary	\$ 290,000	\$ 298,992	\$ (8,992)	\$ 9,300	\$ 13,080	\$ (3,780)	\$ -	\$ -	\$ -
Middle/Junior	100,000	97,257	2,743	5,700	-	5,700	-	-	-
High School	242,000	219,210	22,790	12,000	15,535	(3,535)	-	-	-
Other Regular Programs	40,000	30,753	9,247	-	-	-	-	-	-
<u>Special Programs</u>									
Programs for Special Education	51,000	51,484	(484)	98,000	81,380	16,620	-	-	-
<u>Support Services-Pupils</u>									
Guidance	13,000	11,412	1,588	-	1,532	(1,532)	-	-	-
Health	1,000	516	484	50,000	49,356	644	-	-	-
<u>Support Services - Instructional Staff</u>									
Improvement of Instruction	22,000	4,668	17,332	-	-	-	-	-	-
Educational Media	21,000	9,284	11,716	-	-	-	-	-	-
<u>Support Services - General Administration</u>									
Board of Education	24,000	21,969	2,031	-	-	-	-	-	-
Executive Administration	61,000	51,741	9,259	-	-	-	-	-	-
<u>Support Services - School Administration</u>									
Office of the Principal	71,000	58,974	12,026	-	-	-	-	-	-
<u>Support Services - Business</u>									
Fiscal Services	31,000	29,192	1,808	-	-	-	-	-	-
Operation and Maintenance of Plant	84,000	94,491	(10,491)	13,000	9,464	3,536	-	-	-
Pupil Transportation	30,000	31,045	(1,045)	-	-	-	-	-	-
Food Services	5,000	5,816	(816)	-	-	-	-	-	-
<u>Community Services</u>									
Other	2,000	-	2,000	5,000	-	5,000	-	-	-
<u>Debt Services</u>									
Debt Service	-	-	-	20,000	18,334	1,666	167,000	187,946	(20,946)
<u>Cocurricular Activities</u>									
Male Activities	21,000	15,395	5,605	-	-	-	-	-	-
Female Activities	21,000	16,288	4,712	5,000	2,024	2,976	-	-	-
Combined Activities	20,000	12,846	7,154	-	1,321	(1,321)	-	-	-
Total Expenditures	1,150,000	1,061,333	88,667	218,000	192,026	25,974	167,000	187,946	(20,946)

The accompanying notes are an integral part of these financial statements.

ETHAN SCHOOL DISTRICT NO. 17-1  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003  
 (Continued)

	General Fund			Special Revenue Funds			Debt Service Fund		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Excess of Revenue Over (Under) Expenditures	\$ (44,000)	\$ 130,912	\$ 174,912	\$ -	\$ 19,897	\$ 19,897	\$ -	\$ (20,835)	\$ (20,835)
<u>Other Financing Sources</u>									
Proceeds of refunding general obligation	-	-	-	-	-	-	-	1,725,000	1,725,000
<u>Other Financing Uses</u>									
Payment to Redeem 1998 General Obligation Bonds	-	-	-	-	-	-	-	(1,690,000)	(1,690,000)
Fund Balance (Unreserved), July 1, 2002	-	182,532	182,532	-	202,964	202,964	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	(14,165)	(14,165)
Residual Equity Transfer	44,000	-	(44,000)	-	-	-	-	-	-
Fund Balance (Unreserved), June 30, 2003	\$ -	\$ 313,444	\$ 313,444	\$ -	\$ 222,861	\$ 222,861	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

**ETHAN SCHOOL DISTRICT NO. 17-1  
COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
FOR FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Enterprise Funds</u>
<b><u>OPERATING REVENUE</u></b>	
<b><u>Sales</u></b>	
To Pupils	\$ 27,819
To Adults	5,162
Miscellaneous Revenue	<u>486</u>
<b>Total Operating Revenue</b>	<u>33,467</u>
<b><u>OPERATING EXPENSES</u></b>	
Salaries	22,690
Employee Benefits	6,952
Purchased Services	515
Supplies	801
Cost of Sales - Purchased Food	32,938
Cost of Sales - Donated Food	4,600
Miscellaneous	230
Depreciation - Local Funds	<u>1,727</u>
<b>Total Operating Expenses</b>	<u>70,453</u>
<b>Operating (Loss)</b>	<u>(36,986)</u>
<b><u>State Sources</u></b>	
Cash Reimbursements	1,057
<b><u>Federal Sources</u></b>	
Cash Reimbursements	30,623
Donated Food	<u>3,969</u>
<b>Total Nonoperating Revenue</b>	<u>35,649</u>
<b>Excess of Nonoperating Revenue and Transfers over Expense</b>	<u>35,649</u>
<b>Net (Loss) Before Other Financing Sources</b>	(1,337)
<b>Unreserved Retained Earnings (Deficit), July 1, 2002</b>	<u>(4,011)</u>
<b>Unreserved Retained Earnings (Deficit), June 30, 2003</b>	<u><u>\$ (5,348)</u></u>

The accompanying notes are an integral part of these financial statements.

**ETHAN SCHOOL DISTRICT NO. 17-1  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Enterprise Funds</u>
<b><u>Cash Flows from Operating Activities</u></b>	
Cash received from participants	\$ 32,404
Cash payments for purchased services and general supplies	(1,151)
Cash payments for products used in supplying product	(34,105)
Cash payments for miscellaneous expenses	(230)
Cash payments to employees for personal services	<u>(29,642)</u>
Net Cash (Used) by Operating Activities	<u>(32,724)</u>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>	
Cash Reimbursements - State Sources	1,057
Cash Reimbursements - Federal Sources	<u>30,318</u>
Net Cash Provided by Noncapital Financing Activities	<u>31,375</u>
Net (Decrease) in Cash and Cash Equivalents During the Fiscal Year	(1,349)
Cash and Cash Equivalents at Beginning of Year	<u>1,378</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 29</u></u>
Reconciliation of operating (loss) to net cash (used) by operations	
Operating (Loss)	<u>\$ (36,986)</u>
Net Cash (Used) for Operating Activities	
Depreciation Expense	1,727
Commodities expense related to noncash grant	4,600
Change in assets and liabilities:	
(Increase) in Accounts Receivable	(1,063)
(Increase) in Inventory of Supplies/Food	(911)
(Decrease) in Accounts Payable	<u>(91)</u>
Total Reconciling Adjustment	<u>4,262</u>
Net Cash (Used) for Operating Activities	<u><u>\$ (32,724)</u></u>
Noncash Investing, Capital and Financing Activities:	
Donated Food	<u><u>\$ 3,969</u></u>

The accompanying notes are an integral part of these financial statements.

*ETHAN SCHOOL DISTRICT NO. 17-1*  
*NOTES TO FINANCIAL STATEMENTS*  
*JUNE 30, 2003*

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**a. Reporting Entity:**

The funds and account groups included in this report are controlled by or dependent upon the school board of education.

The accounting policies of the school district conform to generally accepted accounting principles as applicable to governments.

**b. Fund Accounting:**

The accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three broad fund categories and five generic fund types as follows:

***GOVERNMENTAL FUNDS***

**General Fund** - The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special revenue funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the School are Capital Outlay and Special Education Funds.

**Debt service funds** - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Capital projects funds** - capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

***PROPRIETARY FUNDS***

**Enterprise funds** - Enterprise funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Food Service Fund is the only enterprise fund maintained by the school.

The enterprise funds do not apply all FASB Statements and Interpretations issued after November 30, 1989.

*ETHAN SCHOOL DISTRICT NO. 17-1*  
*NOTES TO FINANCIAL STATEMENTS*  
*JUNE 30, 2003*

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)*

b. Fund Accounting: (continued)

*FIDUCIARY FUNDS*

Trust and agency funds - Trust and agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust, nonexpendable trust and agency funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

c. Fixed Assets and Long-Term Liabilities:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Interest costs incurred during construction of fixed assets are not capitalized along with other fixed asset costs.

The total June 30, 2003 balance of general fixed assets includes approximately less than twenty percent for which the costs were determined by estimations of the original cost. The total June 30, 2003 proprietary fund fixed assets include approximately less than twenty percent for which the costs were determined by estimations of the original cost. These estimated original costs were established by reviewing applicable historical costs and basing the estimations thereon.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheet. Depreciation has been provided over the estimated useful life of twelve years using the straight-line method.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.



*ETHAN SCHOOL DISTRICT NO. 17-1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003*

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**d. Basis of Accounting:**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. The revenues, which were accrued at June 30, 2003, are due from Title I, II, IV and Medicaid program reimbursements. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary funds and nonexpendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

**e. Budgets and Budgetary Accounting:**

The school district followed these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first regular board meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year. The proposed budget is published for public review no later than July 15 each year. Public hearings are held to solicit taxpayer input prior to the approval of the budget. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.
2. After adoption by the school board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total school district budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets when moneys are available to increase legal spending authority.
5. Unexpended appropriations lapse at year-end unless encumbered by resolution of the school board. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and special revenue funds. No encumbrances were outstanding at June 30, 2003.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund, capital projects funds and special revenue funds. Formal budget integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provision.

*ETHAN SCHOOL DISTRICT NO. 17-1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003*

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)*

e. Budgets and Budgetary Accounting: (continued)

7. Budgets for the General Fund, capital projects funds and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

f. Deposits and Investments:

The school follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits - The school deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 13-16-15, 13-16-15.1 and 13-16-18.1. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Deposits are reported at cost plus interest, if the account is of the add-on type.

State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The school policy is to credit all income from investments to the General Fund.

The actual bank balances at June 30, 2003, were as follows:

	<u>Bank Balance</u>
Insured (FDIC/NCUA)	\$124,598
Uninsured, collateral jointly held by state's/school's agent in the name of the state and the pledging financial institution	<u>207,462</u>
Total Deposits	<u>\$332,060</u>

The school's carrying amount of deposits on the June 30, 2003 balance sheet was \$262,393.

Investments - In general, SDCL 4-5-6 permits school funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a); or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

*ETHAN SCHOOL DISTRICT NO. 17-1*  
*NOTES TO FINANCIAL STATEMENTS*  
*JUNE 30, 2003*

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**g. Inventory:**

Inventory is valued at the lower of cost or market. The cost valuation method is the first-in, first-out method. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

**h. Interfund Receivables:**

Noncurrent portions of long-term interfund loans receivable (reported in "Advance to" asset accounts) are equally offset by a fund balance reserve account which indicates they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund loans receivable (reported in "Due from" asset accounts) are considered "available spendable resources."

**i. Accumulated Unpaid Vacation and Sick Leave:**

Annual leave is earned by the employees at various rates and is noncumulative. Upon termination, these employees are not entitled to receive compensation for their accrued annual leave balance.

Sick leave is earned by the employees at various rates. Unused sick leave in excess of the maximum accumulated balance is paid at the rate of \$10 per day at the end of each school year.

**j. Deferred Revenue:**

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

**k. Cash Flows:**

The school district pools its cash resources for depositing and investing purposes. The Food Service Fund essentially has access to its cash resources on demand. Accordingly, all reported deposit and investment balances are considered to be cash equivalents for the purpose of the Statement of Cash Flows.

**2. PROPERTY TAX:**

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year. The county bills and collects the school district's taxes and remits them to the school district. School district property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Current year property taxes receivable which are not available as a resource that can be used to finance the current year's appropriations and therefore are not susceptible to accrual have been deferred and are not reported as revenue.

**ETHAN SCHOOL DISTRICT NO. 17-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2003**

**3. CHANGES IN GENERAL FIXED ASSETS:**

A summary of changes in general fixed assets for the fiscal year ended June 30, 2003, is as follows:

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
Land	\$ 16,600	\$ --	\$ --	\$ 16,600
Buildings	2,728,008	1,407	--	2,729,415
Improvements other than buildings	47,294	4,255	--	51,549
Machinery and equipment local funds	497,914	715	--	498,629
Machinery and equipment federal assistance	<u>18,743</u>	<u>--</u>	<u>--</u>	<u>18,743</u>
<b>TOTAL</b>	<b><u>\$ 3,308,559</u></b>	<b><u>\$ 6,377</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 3,314,936</u></b>

**4. LONG-TERM DEBT:**

A summary of changes in long-term debt follows:

	<u>1998</u> <u>General</u> <u>Obligation</u>	<u>2003</u> <u>General</u> <u>Obligation</u>	<u>Capital</u> <u>Outlay</u> <u>Installment</u> <u>Debt</u>	<u>Totals</u>
Debt payable, July 1, 2002	\$ 1,770,000	\$ --	\$ 111,994	\$ 1,881,994
Issued	--	1,725,000	--	1,725,000
Retired	<u>(1,770,000)</u>	<u>(35,000)</u>	<u>(14,735)</u>	<u>(1,819,735)</u>
Debt payable, June 30, 2003	<u>\$ --</u>	<u>\$1,690,000</u>	<u>\$ 97,259</u>	<u>\$ 1,787,259</u>

Debt payable at June 30, 2003, is comprised of the following:

**Capital Outlay Installment Debt -**

The installment note payable was an interest-free loan from Sanborn Telephone Cooperative. The maturity date is January, 2009 and the note was discounted at a rate of 5%.

During fiscal year 2003, the School District issued \$1,725,000 in Refunding Bonds with an average interest rate of 3.61% to refund the following:

<u>Year Issued</u>	<u>Project</u>	<u>Average</u> <u>Interest Rate</u>	<u>Unpaid Principal at</u> <u>Time of Refunding</u>
1998	School Improvements	4.85%	\$1,690,000

**ETHAN SCHOOL DISTRICT NO. 17-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2003**

**4. LONG-TERM DEBT:**

The School District refunded the debt to reduce its total debt service payments over the next 14 years by \$96,586.

The annual debt service requirements to maturity for all debt outstanding as of June 30, 2003 are as follows:

**Annual Requirements to Maturity for Long-Term Debt**  
**June 30, 2003**

Year Ending June 30,	G.O. Bonds Payable		Financing (Capital Acquisition) Leases		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 100,000	\$ 62,141	\$15,489	\$ 4,511	\$ 115,489	\$ 66,652
2005	100,000	62,955	16,281	3,719	116,281	66,674
2006	105,000	60,955	17,114	2,886	122,114	63,841
2007	105,000	58,488	17,990	2,010	122,990	60,498
2008	110,000	55,600	18,910	1,090	128,910	56,690
2009-2013	610,000	216,265	11,475	192	621,475	216,457
2014-2018	<u>560,000</u>	<u>71,510</u>	<u>--</u>	<u>--</u>	<u>595,000</u>	<u>71,510</u>
Totals	<u>\$1,690,000</u>	<u>\$587,914</u>	<u>\$97,259</u>	<u>\$14,408</u>	<u>\$1,822,259</u>	<u>\$602,322</u>

*ETHAN SCHOOL DISTRICT NO. 17-1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003*

**5. SEGMENT INFORMATION FOR PROPRIETARY FUNDS:**

This requirement is effectively met by the statements in this report because the school district maintains only one enterprise fund which provides food service. The working capital of the Food Service Fund at June 30, 2003, is \$6,418.

**6. EXPENDITURES IN EXCESS OF APPROPRIATIONS:**

The following represents the overdrafts of expenditures compared to appropriations for funds other than the General Fund at June 30, 2003:

<u>Function</u>	<u>Subfunction</u>	<u>Service Area</u>	<u>Amount</u>
<u>Special Revenue Funds</u>			
Instruction	Regular	Elementary	\$ 3,780
Instruction	Regular	High School	3,535
Support Services	Pupils	Guidance	1,532
Co-Curricular Activities		Combined	1,321

**7. RETIREMENT PLAN:**

All certified employees, except for those who work less than 20 hours per week, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the SDRS, PO Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 5% of salary; Class B Judicial Members, 9% of salary; and Class B Public Safety Members, 8% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The school's share of contributions to the SDRS for the fiscal years ended June 30, 2003 and 2002 were \$41,846 and \$39,743, respectively. The Employer's share, respectively, was equal to the required contributions each year.

**8. LITIGATION:**

At June 30, 2003, the school was not involved in any litigation.

*ETHAN SCHOOL DISTRICT NO. 17-1*  
*NOTES TO FINANCIAL STATEMENTS*  
*JUNE 30, 2003*

**9. RISK MANAGEMENT:**

The school district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2003, the school district managed its risks as follows:

**Employee Health Insurance:**

On July 1, 2002, the district changed from Wellmark Blue Cross and Blue Shield of South Dakota to Avera Health Plans. The new coverage provides deductibles of \$500 and \$1,000 for individual and family, respectively. The plan also provides coinsurance of 80 percent up to \$1,500 per individual and \$3,000 per family. The life maximum remains at \$2,000,000.

**Liability Insurance:**

The school district purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier.

**Worker's Compensation:**

The school district purchases liability insurance for worker's compensation from a commercial carrier.

**Unemployment Benefits:**

The school district has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits.

During the two years ended June 30, 2003, no claims for unemployment benefits were paid. At June 30, 2003, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

**10. DEFICIT FUND BALANCE:**

As of June 30, 2003, the following fund had deficit retained earnings in the amount shown:

Food Service Fund	\$5,348
-------------------	---------

The School Board intends to fund the deficit in retained earnings of the Food Service Fund by decreasing future expenses of the Fund.

***SUPPLEMENTAL INFORMATION***



***ETHAN SCHOOL DISTRICT NO. 17-1  
SCHOOL DISTRICT OFFICIALS  
JUNE 30, 2003***

***BOARD OF EDUCATION:***

<b>Doug Adams</b>	<b>Chairman</b>
<b>Loren Wegehaupt</b>	<b>Board Member</b>
<b>Mike Royston</b>	<b>Board Member</b>
<b>Jeff Gustafson</b>	<b>Board Member</b>
<b>Delmar Mueller</b>	<b>Board Member</b>

***CHIEF EXECUTIVE OFFICER:***

**Terry Mathis**

***BUSINESS MANAGER:***

**Cindy Tuttle**

**ETHAN SCHOOL DISTRICT NO 17-1**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**June 30, 2003**

	Capital Outlay Fund	Special Education Fund	Pension Fund	Total
<b><u>ASSETS</u></b>				
<b><u>Current Assets</u></b>				
Cash and Deposits	\$ 21,760	\$ 57,253	\$ 6,312	\$ 85,325
Interest Bearing Accounts	103,215	50,000	-	153,215
Taxes Receivable - Current	36,921	34,958	7,389	79,268
Taxes Receivable - Delinquent	3,716	2,761	-	6,477
Accounts Receivable	-	4,005	-	4,005
				-
<b>Total Current Assets</b>	<b>\$ 165,612</b>	<b>\$ 148,977</b>	<b>\$ 13,701</b>	<b>\$ 328,290</b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable	\$ -	\$ 2,815	\$ -	\$ 2,815
Contracts Payable	-	8,321	-	8,321
Employer Matching Payable	-	2,238	-	2,238
Due to Other Fund	-	-	6,312	6,312
Deferred Revenue	40,637	37,717	7,389	85,743
<b>Total Current Liabilities</b>	<b>40,637</b>	<b>51,091</b>	<b>13,701</b>	<b>105,429</b>
<b>Total Liabilities</b>	<b>40,637</b>	<b>51,091</b>	<b>13,701</b>	<b>105,429</b>
<b><u>Unreserved Fund Equity</u></b>				
Undesignated	124,975	97,886	-	222,861
Designated for Cash Flow	-	-	-	-
Designated for Next Year's Budget	-	-	-	-
<b>Total Unreserved Fund Equity</b>	<b>124,975</b>	<b>97,886</b>	<b>-</b>	<b>222,861</b>
<b>Total Fund Equity</b>	<b>124,975</b>	<b>97,886</b>	<b>-</b>	<b>222,861</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 165,612</b>	<b>\$ 148,977</b>	<b>\$ 13,701</b>	<b>\$ 328,290</b>

**Excess of Revenue Over (Under)**  
**Expenditures**

<u>14,523</u>	<u>5,374</u>	<u>-</u>	<u>19,897</u>
---------------	--------------	----------	---------------

**Fund Balance (Unreserved)**  
**July 1, 2002**

<u>110,452</u>	<u>92,512</u>	<u>-</u>	<u>202,964</u>
----------------	---------------	----------	----------------

**Fund Balance (Unreserved)**  
**June 30, 2003**

<u>\$ 124,975</u>	<u>\$ 97,886</u>	<u>\$ -</u>	<u>\$ 222,861</u>
-------------------	------------------	-------------	-------------------